

Proposed Rule Amendments

There will be a public hearing on proposed rule amendments at the Commission meeting to be held on Friday, March 16, 2007 at the Alabama Real Estate Commission at 9:00 a.m.

The proposed changes involve the following rules:

790-X-1-.06

790-X-1-.07

790-X-1-.09

790-X-1-.12

790-X-1-.21

790-X-2-.02

Comments can be presented at the public hearing or by written comments. Address any written comments to D. Philip Lasater, Executive Director, Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama 36106. Comments may also be faxed to 334.270.9118. The deadline for written comments is 4:30 p.m. on April 6, 2007.

To view and/or download the rule amendments in their entirety, go to the Commission's Web site at www.arec.alabama.gov. The link can be found in the scrolling marquee entitled "What's New."

790-X-1-.06. Prelicense And Post License School Approval And Requirements.

- (1) All approved schools and instructors teaching real estate courses must agree to be governed by rules and regulations adopted by the Commission for the orderly operation of the schools.
- (2) All prelicense and post license courses will have a definite beginning and ending date.
- (3) The instructor shall, at least one week prior to the beginning of a prelicense or post license course, send information concerning the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission.
- (4) The instructor shall, within three (3) days of course completion, report the credit for students who successfully complete the prelicense or post license course to the Commission via the electronic submission program provided by the Commission.
- (5) Prelicense and post license course requirements. No course shall be approved by the Commission unless the following requirements are fulfilled.
 - (a) Courses must be taught by an approved instructor.
 - (b) In order to obtain approval, a course application and fee must be submitted for each prelicense and post license course when a detailed outline is not provided by the Commission. This does not apply to college credit courses which otherwise meet the criteria for the salesperson prelicense course.
 - (c) All courses must comply with the curriculum as prescribed by the Commission.
 - (d) The ~~60 clock hour~~ salesperson prelicense course must be completed within one year from the date of course enrollment or the student will receive no credit for classes completed and must begin the course again. Students enrolled in the salesperson prelicense course can receive no more than six (6) hours credit per day.
 - (e) Effective October 1, 2007, the 60 clock hour broker prelicense course must be completed in order to qualify for the broker's exam. The course must be completed within one year from the date of course enrollment or the student will receive no credit for classes completed and must begin the course again. Any applicant for the exam who completed the 45 hour prelicense course prior to January 1, 1997, may meet the 60 clock hour requirement by completing a 15 clock hour course approved by the Commission provided the applicant meets all

~~other requirements set forth in License Law & Rules.~~ Students enrolled in the broker prelicense course ~~15-hour prelicense courses~~ can receive no more than nine (9) hours credit per day.

(f) The 30 hour post license course is required for all salesperson licensees within the first year of licensure. In order to maintain an active license, the course must be completed and the original (permanent) license issued within the first six months of licensure. Students enrolled in the post license course can receive no more than nine (9) hours credit per day.

(g) No more than 20% of the course hours in the post license course can be presented by video tape unless the course is an ARELLO certified distance education course.

(h) Students must pass a final course exam and make a minimum course grade of 70% to successfully complete the prelicense and post license courses.

(i) Ninety (90%) percent course attendance in the prelicense and post license courses is required to successfully complete the course. Instructors may take a 10-minute break after each 50 minutes of instruction. Meals and other unrelated activities cannot be counted as part of the course hours.

(j) Upon completing the course hours, passing the course final exam and obtaining a minimum course grade of 70% in the ~~60-hour~~ salesperson prelicense course, the instructor will issue to the student a Certificate of Course Completion. Salesperson applicants must show the Certificate of Course Completion to the supervisor at the exam center in order to be admitted to the exam. Failure to do so will result in both the applicant not being allowed to test and the applicant forfeiting the exam fee.

(k) Instructors must provide each student who completes the ~~60-hour~~ salesperson prelicense course with the Commission approved prelicense course evaluation form and instructions on where to send it.

(l) Upon completing the course hours, passing the course final exam and obtaining a minimum course grade of 70% in the ~~45-hour~~ broker prelicense course, the instructor will electronically submit the course credit to the Commission. ~~Since broker applicants are not required to take a Certificate of Course Completion to the exam center in order to be admitted to the state exam, instructors are not required to issue them.~~ Effective October 1, 2007, the instructor will also issue to the student a Certificate of Course Completion. Broker applicants must show the Certificate of Course Completion to the supervisor at the exam center in order to be admitted to the exam. Failure to do so will result in both the applicant not being allowed to test and the applicant forfeiting the exam fee. ~~Broker applicants are, however, required to be qualified to sit for the exam and must check with the Commission if the need exists to verify~~ must meet all

qualifications for a broker's license prior to making application. Successfully passing the exam is only one of several qualifications that are identified in Section 34-27-32. Failure to meet all broker qualifications prior to ~~taking the broker's examination~~ applying for a broker's license will result in the exam score being rendered null and void and may subject the broker applicant to disciplinary action by the Commission.

(m) Post license credit cannot be earned prior to obtaining an Alabama temporary license. Instructors must obtain the temporary license number before allowing a student to enroll in the post license course. Salespersons who complete the 30 hour post license course must check the Commission Web site to ensure their course credit has been accurately reported. Once the course credit has been reported, the salesperson must submit the application and fees for an original (permanent) license within the time frame set forth in Section 34-27-33.

~~(n) At the end of the 60 hour salesperson prelicense course, a Commission approved Certificate of Completion shall be completed by the instructor and given to each student. The student must retain the certificate and submit it to the Commission with the temporary salesperson license application after passing the state examination. For those completing the 15 hour broker prelicense course, the salesperson must check the Commission website one week after course completion to ensure course credit has been accurately reported.~~

~~(n)~~ (n) Schools are to maintain permanent records showing attendance and course completion scores for a minimum of four (4) years.

(6) Salesperson applicants must pass the examination within 12 months immediately following the date of completion of the ~~60 clock hour~~ salesperson prelicense course approved by the Commission. Salesperson applicants who fail to meet this requirement shall be required to again successfully complete the salesperson prelicense course.

(7) Broker applicants ~~Applicants who are required to complete the 15 clock hour prelicense course~~ must pass the examination within the 12 months immediately following the date of ~~course completion~~ of the broker prelicense course approved by the Commission. Broker applicants ~~Applicants~~ who fail to meet this requirement shall be required to again successfully complete the broker prelicense course.

Author: Alabama Real Estate Commission

Statutory Authority: Code of Ala. 1975, §§ [34-27-6](#), [34-27-8](#), [34-27-32](#), [34-27-33](#).

History:

790-X-1-.07. Qualifications for Prelicense and Post License Instructors.

(1) Regulations for all prelicense and post license instructors ~~Instructors~~:

(a) All instructor applicants must apply on a form prescribed by the Commission.

(b) All instructors must have written approval from the Alabama Real Estate Commission prior to teaching an approved course.

(c) All instructor applicants of prelicense courses must hold a current broker's license in order to attain approval and must maintain a current broker's license in order to continue approval to teach prelicense courses.

~~(c)~~ (d) Instructor applicants should not have been found guilty of violating any provision of the Real Estate License Law or any rule, regulation or order of the licensing authority in any state.

~~(d)~~ (e) All instructors will be periodically reviewed and evaluated by the Alabama Real Estate Commission.

~~(e)~~ (f) All instructors must attend Commission sponsored orientation courses and seminars when directed to do so by the Commission. Failure to do so will result in instructor approval being revoked in accordance with Rule 790-X-1-.17.

(2) Full-time college and university prelicense and continuing education course instructors will be qualified when certified by their respective educational institutions. These instructor applicants must comply with all requirements specified in paragraph (1) above.

(3) Prelicense and post license instructors who hold an active Distinguished Real Estate Instructor designation from the Real Estate Educators Association will be automatically approved upon submission of an active DREI certificate or other official documentation from REEA, the appropriate instructor application, and the application fee. All instructors who are approved based on a DREI designation must maintain an active designation in order to maintain instructor approval. If a DREI designation becomes inactive or expires, the instructor's approval immediately expires and the individual must qualify through regular application procedures as stated in paragraph (4). It is the instructor's responsibility to provide proof of renewal of the DREI designation within ten days of its renewal or to notify the Commission of failure to renew the designation to active status within ten days of its becoming inactive or expiring. Failure to do so will subject the instructor to disciplinary action under Rule 790-X-1-.17. These instructor applicants must comply with all requirements specified in paragraph (1) above.

~~(3)~~ (4) Qualifications for all prelicense and post license instructor applicants other than those specified in paragraphs (2) and (3) above are as follows:

(a) Instructor applicants must meet the qualifications as specified by the Commission. The Commission shall rate the individual's qualifications in education, industry experience and teaching experience. The qualifications will be evaluated using a point system. An individual must obtain a minimum of 70 points to be approved as an instructor. The five major areas of evaluation and maximum points per category are:

1. Active real estate license experience-20 points
2. Real estate education-20 points
3. Formal education-20 points
4. Teaching experience-30 points
5. Real estate and related experience-10 points

(b) Each major category shall be comprised of subcategories thereby allowing consideration of a variety of qualifications.

~~(c) Individuals who apply for approval as a prelicense instructor will not be approved unless he/she holds a current broker's license. Further, all prelicense instructors must continue to maintain a broker's license.~~

~~(d)~~ (c) The Commission shall require that an instructor applicant submit appropriate documentation in order to be awarded points in any category or subcategory. No points can be awarded without supporting documents.

~~(4)~~ (5) Instructors cannot earn continuing Continuing education credit for courses taught cannot be earned for teaching the salesperson's prelicense course, the 15 hour broker's prelicense course or the 30 hour post license course.

~~(5) As of October 1, 1993, all approved instructors may continue to teach the courses for which they are already approved. Any instructor who wishes to teach any other course may apply under the qualifications set forth in this rule.~~

Author: Alabama Real Estate Commission

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8.

History:

**790-X-1-.09. ~~Instructor Approval~~ Qualifications For Continuing Education
Instructors Courses.**

(1) A continuing education instructor is defined as an instructor who is approved to teach only continuing education courses. All instructors who are approved to teach prelicense and post license courses are also approved to teach continuing education courses and are not required to qualify under this rule.

~~(1)~~ (2) Every continuing education instructor applicant ~~for continuing education~~ must apply for approval on a form prescribed by the Commission along with the appropriate fee. No instructor may begin teaching a course offered for continuing education credit until he/she has received written approval from the Commission.

(a) Continuing education instructor applicants should not have been found guilty of violating any provision of the Real Estate License Law or any rule, regulation or order of the licensing authority in any state.

(b) Continuing education instructors will be periodically reviewed and evaluated by the Alabama Real Estate Commission.

(c) Continuing education instructors must attend Commission sponsored orientation courses and seminars when directed to do so by the Commission. Failure to do so will result in instructor approval being revoked in accordance with Rule 790-X-1-.17.

~~(2)~~ (3) Instructor Qualifications. A person seeking approval to teach an approved continuing education courses, ~~must meet the qualifications as prescribed in Rule 790-X-1-.07 except that a person may seek approval to teach continuing education courses~~ in his/her principal occupation by possessing one of the following:

(a) Bachelor's degree in the field of instruction plus at least two years experience in the field of instruction;

(b) Teaching experience consisting of at least 75 hours in the application field within 3 years immediately preceding the date of the instructor's application plus 3 years full time experience in the field of instruction;

(c) Six years full time experience in the profession, trade or occupation in the field of instruction;

(d) Any combination of at least six years of full time experience relevant to the application field and college level education with course work in the field of instruction.

~~(3)~~ (4) All instructor applicants qualifying under ~~(2)~~ (3) above must submit

documentation of qualifications and a resume outlining experience, education and/or teaching experience in the applicable field.

(5) Continuing education instructors who hold an active Distinguished Real Estate Instructor designation from the Real Estate Educators Association will be automatically approved upon submission of an active DREI certificate or other official documentation from REEA, the appropriate instructor application, and the application fee. All instructors who are approved based on a DREI designation must maintain an active designation in order to maintain instructor approval. If a DREI designation becomes inactive or expires, the instructor's approval immediately expires and the individual must qualify through regular application procedures as stated in paragraph (3). It is the instructor's responsibility to provide proof of renewal of the DREI designation within ten days of its renewal or to notify the Commission of failure to renew the designation to active status within ten days of its becoming inactive or expiring. Failure to do so will subject the instructor to disciplinary action under Rule 790-X-1-.17. These instructors must comply with all requirements specified in paragraph (2) above.

~~(4)~~ (6) Approved instructors shall not earn continuing education credit for teaching ~~an approved continuing education course~~ courses.

Author: Alabama Real Estate Commission Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-35.

History:

Filed August 27, 1986. Ed. Note: Former Rule 790-X-1-.10 entitled "Withdrawal of Approval" was moved in its entirety to become Rule 790-X-1-.17. Amended: Filed August 15, 1988; January 31, 1989; December 9, 1992. Amended: Filed August 25, 1993; effective September 29, 1993. Amended: Filed January 18, 1994; effective February 22, 1994. Amended: Filed August 29, 2000; effective October 3, 2000 (Ed. Note: Former Rule 790-X-1-.10 was moved in its entirety to become 790-X-1-.09, as per this certification). Amended: Filed September 18, 2001; effective October 23, 2001. Amended: Filed November 25, 2003. Amended: Filed June 17, 2005; Effective October 3, 2005

790-X-1-.12. Continuing Education Course Approval And Requirements.

(1) All instructors of continuing education courses, except those who teach only college credit courses, must apply for course approval on a form prescribed by the Commission along with a \$100 course review fee and all required documents.

(2) Approved continuing education courses must be taught only by approved instructors. Otherwise those completing the course cannot receive credit toward meeting continuing education requirements.

(3) In order to be approved for continuing education credit, courses must contain a minimum of three (3) clock hours of instruction. A licensee cannot earn more than nine (9) hours of continuing education credit in any one day. Upon special request courses which contain one and one-half (1 ½) hours may be approved by the Commission.

(4) Course sponsors may not hold courses out as approved, enroll students or conduct classes for which students expect to earn continuing education credit prior to the course instructor receiving written approval to teach the course from the Commission. Course instructors should submit the course application to the Commission at least 30 days prior to the proposed beginning date of the course.

(5) Course sponsors must report all required course information including the exact location, times and dates of the courses to the Commission via the electronic submission program provided by the Commission at least one week prior to the beginning of each course. Should changes occur in this information, course sponsors must submit the changes immediately via the electronic submission program provided by the Commission.

(6) Course sponsors shall within ten (10) days of course completion, report credit for the students who successfully completed the course to the Commission via the electronic submission program provided by the Commission.

(7) Each licensee shall be responsible for checking the Commission Web site two (2) weeks after course completion to ensure course credit has been accurately reported. If it has not been accurately reported, it is the licensees' responsibility to contact the instructor or school and have the correct information sent to the Commission.

(8) Each course sponsor shall maintain permanent attendance records for its students for a minimum of four (4) years. If a school closes because it merges with another school or is bought by another school, the records for the previous four years shall be turned over to and become the responsibility of the new school. If a branch school closes, the records for the previous four years shall be turned over to and become the responsibility of the main school. In the event a

school closes and there is no school to whom the records would revert, the attendance records for the previous four years must be turned over to the Commission so that student course completion can be verified for the required period of time.

(9) No more than one-third of any continuing education class can be presented through videotape unless the course is an ARELLO certified distance education course.

(10) Students must attend 100% of the course offering in order to be awarded continuing education credit. Instructors may take a 10-minute break after each 50 minutes of instruction. Credit will not be given for time spent on meals or other unrelated activities.

(11) Prior to becoming licensed, a person cannot earn real estate continuing education credit.

(12) Salespersons who obtain an original broker's license during the second year of the license period are not exempt from meeting continuing education requirements.

(13) Any licensee who completes the ~~45~~ entire 60 hour broker prelicense course or the entire 30 hour post license course will earn 15 clock hours of continuing education credit. A temporary salesperson who takes a post license course which begins in one license period and concludes in the next license period can use the course for continuing education credit for the next renewal of his/her original license.

(14) Instructors must provide each student in any approved continuing education class with instructions on how they can electronically submit a course evaluation to the Commission.

(15) Any licensee who completes a continuing education classroom course or an ARELLO certified distance education course in another state which is approved by any state may receive credit in Alabama for successful completion of that course by submitting appropriate documentation as prescribed by the Commission. Such courses will count as elective continuing education credit only. These courses are not subject to renewal procedures, instructor application and fee or the course review fee.

Author: Alabama Real Estate Commission

Authority: Code of Ala. 1975, §§ 34 27 6, 34 27 8, 34 27 35, 34-27-36

History:

Filed August 27, 1986. Ed. Note: Former Rule 790-X-1-.11 entitled "Waiver of Course Requirements under Certain Conditions" moved in its entirety to become Rule 790-X-1-.18. Amended: Filed May 17, 1988; August 15, 1988. Emergency rule filed October 1, 1990. Amended: Filed December 6, 1990; February 6, 1991; August 7, 1992. Amended: Filed August 23, 1993; effective September 27, 1993. Amended: Filed August 23, 1996; effective September 27, 1996. Amended: Filed August 3, 1998; effective September 7, 1998. Amended: Filed August 29, 2000; effective October 3, 2000 (Ed. Note: Former Rule 790-X-1-.11 was moved in its entirety to become 790-X-1-.12, as per this certification). Amended: Filed September 18, 2001; effective October 23, 2001. Amended: Filed November 25, 2003.

790-X-1-.21. Distance Education Courses.

Distance education courses are programs whereby instruction does not take place in a traditional classroom setting but rather where teacher and student are apart and instruction takes place through other media. Distance education courses include but are not limited to those which are presented through interactive classrooms, computer conferencing, interactive computer and the Internet. Distance education courses may be offered by approved instructors of primary or secondary providers.

(1) A primary provider is defined as a course developer who has a proprietary interest in the course. Primary providers may have their own instructors deliver courses and/or may market the courses to secondary providers. If a primary provider offers distance education courses directly to Alabama licensees, the provider must be a school approved by the Commission.

(2) A secondary provider is defined as a school which obtains a distance education course from a primary provider. The secondary provider must have approved instructors who are responsible for enrolling students, providing course orientation, monitoring student progress, answering student questions, administering and grading exams, verifying and reporting course completion and verifying student identity. Any school or instructor who provides any of these services, other than administering a final exam, is deemed to be a secondary provider. The secondary provider must be a school approved by the Commission.

(3) Instructors of distance education courses must be approved by the Alabama Real Estate Commission. Instructors will not receive approval until they receive the Distance Education Instructor Certification from IDECC (International Distance Education Certification Center), which is a subsidiary of ARELLO (Association of Real Estate License Law Officials), and submit verification of the certification to the Commission. The effective date of this rule is June 1, 2007. All distance education instructors currently approved must submit verification of the certification to the Commission no later than June 1, 2008. If the certification requirement is not satisfied by the deadline, the instructor may not offer distance education courses until certification is obtained and submitted to the Commission.

~~(3)~~ (4) ~~Instructors of distance education courses must be approved by the Alabama Real Estate Commission.~~ Instructors of the prelicense course must provide students with licensing requirements and information on how to schedule to take the licensing examination. Instructors of the post license course must provide students with original salesperson license requirements and an application.

(4) All distance education courses developed by approved primary providers must be approved by the Commission prior to being marketed to secondary providers who will offer the courses to Alabama licensees. Additionally, all distance education courses that will be offered to Alabama licensees by either primary or secondary providers must be approved by the Commission. Any course containing major content errors or which fails to meet curriculum requirements will be denied. The revised course may be submitted at a later date along with a new application and course review fee.

(5) Approved instructors who submit any distance education course for approval must submit a copy of the Course Summary Certificate from ARELLO (~~Association of Real Estate License Law Officials~~) along with the course application and fee. For secondary providers, the Course Summary Certificate from ARELLO will be the documentation of certification received by the primary provider.

(6) All distance education courses of primary providers must be certified by ARELLO before being submitted to the Commission for approval and must retain certification in order to retain Commission approval. This includes prelicense, post license and continuing education courses.

(7) Instructors for secondary providers may only offer courses which primary providers have had certified by ARELLO. The instructor for a secondary provider does not have to obtain ARELLO certification for courses.

(8) Instructors of approved distance education courses must submit to the Commission their procedures for enrolling students, monitoring their progress, answering student questions, administering and grading exams, verifying and reporting course completion and verifying student identity.

(9) ARELLO certified distance education courses must follow curriculum requirements as specified by the Commission. Instructors who teach courses developed by another school or organization, must review the course for accuracy and applicability of content prior to submitting it to the Alabama Real Estate Commission for review and approval.

(10) Instructors must give distance education students instructions on how they can electronically submit a course evaluation to the Commission.

(11) Distance education courses of primary providers must continue to be ARELLO certified in order to continue their approval with the Alabama Real Estate Commission. If ARELLO certification is discontinued for any reason, approval by the Alabama Real Estate Commission will be simultaneously discontinued for all primary and secondary providers who offer the affected course.

(12) The Commission may withdraw approval for any distance education course that is not offered in accordance with Commission requirements for distance education courses.

(13) The Commission may withdraw approval or otherwise discipline instructors in accordance with Rule 790-X-1-.17 for any instructor who teaches distance education courses that do not comply with all applicable rules and statutes.

(14) In order to successfully complete the prelicense or post license course, students must take and score a minimum of 70% on a proctored final examination administered in an educational facility by an approved real estate instructor or by a qualified person who is not in the real estate business.

Author: Alabama Real Estate Commission

Statutory Authority: Code of Ala. 1975, §§ [34-27-6](#); [34-27-8](#).

History:

790-X-2-.02. Applications For Examination And Licensure.

(1) Should any applicant for a real estate broker's or salesperson's license falsely answer any questions on either his/her examination or license application or misrepresent any facts relating to either application, said application may be rejected by the Commission and returned to the applicant.

Any applicant whose application is not deemed acceptable may request a hearing before the Commission relative to such rejection.

(2) Any real estate broker who knowingly signs a license application stating the applicant under his/her sponsorship is of good reputation and is trustworthy may be held liable for such statements; and should a routine investigation of the applicant's background prove otherwise, the sponsoring broker may be subject to a fine or revocation or suspension of his/her license.

(3) All salesperson and broker license applications must contain a recent photograph which was taken within the past 12 months.

(4) The examination appointment must be made and the examination fee paid to the testing agency as published in the Candidate Handbook. When the registration has been processed, the applicant will be notified of the time to report to the exam center. Unscheduled candidates will not be admitted.

(5) An examination fee must be paid for each scheduled examination whether or not the applicant takes the exam unless the applicant is rescheduled in accordance with policies as specified in the Candidate Handbook.

(6) Applicants who fail the examination may retake the examination by following application procedures as outlined in the Alabama Candidate Handbook.

(7) The passing grade for both the salesperson and broker examinations shall be seventy (70). A time limit of three and one-half (3 1/2) hours is hereby set and allotted for completion of the required examination.

(8) All salesperson and broker applicants must complete all required course work, including passing the course final examination, prior to taking the state examination.

(9) Salesperson applicants must show successful proof of completion of the 60 hour salesperson prelicense course by presenting their Certificate of Course Completion to the exam center supervisor. An approved certificate is required before admittance to the exam will be granted.

(10) Effective October 1, 2007, broker applicants must show proof of successful completion of the 60 hour broker prelicense course by presenting their Certificate

of Course Completion to the exam center supervisor. An approved certificate is required before admittance to the exam will be granted.

~~(10) Broker applicants will not be issued a Certificate of Course Completion for the 15 hour broker prelicense course and are therefore not required to take it to the exam center in order to be admitted to the state exam. They are, however, required to be qualified to sit for the exam and must check with the Commission if the need exists to verify qualifications. Failure to meet broker qualifications prior to taking the broker examination will result in the exam score being rendered null and void and may subject the broker applicant to disciplinary action by the Commission.~~

Statutory Authority:

Code of Ala. 1975, §§ [34-27-8](#), [34-27-32](#), [34-27-33](#), [34-27-35.1](#).

History:

Filed September 30, 1982. Amended: Filed August 15, 1988; December 5, 1988; October 22, 1991. Amended: Filed August 25, 1993; effective September 29, 1993. Amended: Filed September 18, 2001; effective October 23, 2001.